

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	) Chapter 11
	)
W. R. GRACE & CO., et al., <sup>1</sup>	) Case No. 01-01139 (JKF)
	) (Jointly Administered)
	)
Debtors.	) <b>Objection Deadline:</b> September 25, 2003, at 4:00 p.m. (prevailing eastern time)

**SUMMARY APPLICATION OF KIRKLAND & ELLIS LLP FOR COMPENSATION  
FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS BANKRUPTCY  
COUNSEL TO W. R. GRACE & CO., ET AL., FOR THE FIRST MONTHLY  
INTERIM PERIOD, FROM JULY 1, 2003, THROUGH JULY 31, 2003,  
FOR THE QUARTER OF JULY – SEPTEMBER, 2003**

Name of Applicant:	<u>Kirkland &amp; Ellis LLP ("K&amp;E")</u>
Authorized to Provide Professional Services to:	<u>W. R. Grace &amp; Co., et al., Debtors and Debtors-in-Possession</u>
Date of Retention:	<u>Retention Order entered May 3, 2001, effective as of April 2, 2001</u>
Period for which compensation and reimbursement is sought:	<u>July 1, 2003, through July 31, 2003</u>
Amount of Compensation sought as actual, reasonable and necessary:	<u>\$197,495.50</u>
Amount of Expense Reimbursement sought as actual, reasonable and necessary:	<u>\$9,235.33</u>
This is a <u>X</u> monthly ___ interim ___ final application.	

<sup>1</sup> The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Arnicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc.), E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

The total time expended for the preparation of this application is approximately 20 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$6,000.00.

This is the first monthly application for interim compensation of services for the July - September 2003 quarter that the Debtors have filed with the Bankruptcy Court in the Chapter 11 Cases. The following applications have been filed previously in the Chapter 11 Cases:

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
May 29, 2001	4/2 – 4/30/01	\$626,079.00	\$32,439.84	Interim approval <sup>2</sup>	Interim approval
June 29, 2001	5/1 – 5/31/01	\$567,151.00	\$77,487.86	Interim approval	Interim approval
July 31, 2001	6/1 – 6/30/01	\$560,569.50	\$45,466.13	Interim approval	Interim approval
July 31, 2001	April – June, 2001	\$1,753,799.50	\$155,393.83	\$1,753,799.50	\$155,393.83
August 28, 2001	7/1 – 7/31/01	\$476,582.50	\$25,312.13	Interim approval <sup>2</sup>	Interim approval
September 28, 2001	8/1 – 8/31/01	\$472,334.50	\$29,022.59	Interim approval	Interim approval
October 30, 2001	9/1 – 9/30/01	\$443,617.50	\$27,147.47	Interim approval	Interim approval
November 7, 2001	July – September, 2001	\$1,392,534.50	\$81,482.19	\$1,392,534.50	\$81,482.19
December 11, 2001	10/1 – 10/31/01	\$493,074.00	\$27,724.54	Interim approval <sup>2</sup>	Interim approval
December 29, 2001	11/1 – 11/30/01	\$524,980.00	\$29,678.21	Interim approval	Interim approval
January 31, 2002	12/1 – 12/31/01	\$405,278.50	\$27,276.95	Interim approval	Interim approval
February 7, 2002	October – December, 2001	\$1,423,332.50	\$84,679.70	\$1,419,127.00	\$84,679.70
March 4, 2002	1/1 – 1/31/02	\$439,056.00	\$32,279.54	Interim approval <sup>3</sup>	Interim approval
March 27, 2002	2/1 – 2/28/02	\$412,304.00	\$18,475.64	Interim approval	Interim approval
May 2, 2002	3/1 – 3/31/02	\$430,342.50	\$51,759.20	Interim approval	Interim approval
June 10, 2002	January – March, 2002	\$1,281,702.50	\$102,514.38	\$1,281,702.50	\$101,656.38
June 10, 2002	4/1 – 4/30/02	\$410,702.50	\$25,286.05	Interim approval <sup>4</sup>	Interim approval
July 2, 2002	5/1 – 5/31/02	\$335,280.50	\$25,556.83	Interim approval	Interim approval
August 8, 2002	6/1 – 6/30/02	\$243,127.00	\$16,326.36	Interim approval	Interim approval
September 3, 2002	April – June, 2002	\$989,110.00	\$67,169.24	\$981,666.50	\$67,169.24

<sup>2</sup> The fees and expenses requested in the April-June, 2001, July-September, 2001 and October-December, 2001, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on November 29, 2002.

<sup>3</sup> The fees and expenses requested in the January-March, 2002, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on October 9, 2002.

<sup>4</sup> The fees and expenses requested in the April-June, 2002, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on November 29, 2002.

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
September 11, 2002	7/1 – 7/31/02	\$335,129.00	\$28,504.48	Interim approval <sup>5</sup>	Interim approval
October 2, 2002	8/1 – 8/31/02	\$344,619.00	\$86,047.20	Interim approval	Interim approval
October 30, 2002	9/1 – 9/30/02	\$238,876.50	\$20,882.49	Interim approval	Interim approval
November 27, 2002	July – September, 2002	\$918,624.50	\$135,434.17	\$918,624.50	\$134,478.90
December 6, 2002	10/1 – 10/31/02	\$207,778.00	\$7,769.74	Interim approval <sup>6</sup>	Interim approval
January 13, 2003	11/1 – 11/30/02	\$122,419.00	\$4,732.30	Interim approval	Interim approval
January 30, 2003	12/1 – 12/31/02	\$129,243.50	\$6,093.80	Interim approval	Interim approval
March 4, 2003	October – December, 2002	\$459,440.50	\$18,595.84	\$459,440.50	\$18,467.74
March 4, 2003	1/1 – 1/31/03	\$162,033.00	\$6,383.16	\$129,626.40	\$6,383.16
April 2, 2003	2/1 – 2/28/03	\$215,511.50	\$3,784.70	\$172,409.18	\$3,784.70
April 29, 2003	3/1 – 3/31/03	\$146,603.00	\$6,713.84	\$117,282.40	\$6,713.84
May 15, 2003	January – March, 2003	\$524,147.50	\$16,881.70	Pending	Pending
June 3, 2003	4/1 – 4/30/03	\$135,130.00	\$2,786.42	\$108,104.00	\$2,786.42
July 11, 2003	5/1 – 5/31/03	\$109,408.00	\$6,546.04	\$87,526.40	\$6,546.04
July 31, 2003	6/1 – 6/30/03	\$115,099.00	\$1,925.86	Pending	Pending

K&E has filed certificates of no objection with respect to the interim Monthly Applications for April 2001 through June 2003, respectively, because no objections were filed within the respective objection periods. The Quarterly Applications for the interim periods from (i) April 2, 2001, through June 31, 2001, (ii) July 1, 2001, through September 30, 2001, (iii) October 1, 2001, through December 31, 2001, and (iv) April 1, 2002, through June 30, 2002, were heard on November 25, 2002, and orders were entered November 29, 2002, granting interim compensation and reimbursement of expenses requested in the first-third and fifth Quarterly Applications. The Quarterly Application for the interim period from January 1, 2002, through March 31, 2002, was heard on August 26, 2002, and an order was entered on October 9, 2002, granting interim compensation and reimbursement of expenses requested in the fourth Quarterly Application. An order was entered on March 14, 2003, granting interim compensation and reimbursement of expenses requested in the sixth Quarterly Application for the interim

<sup>5</sup> The fees and expenses requested in the July-September, 2002, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on March 14, 2003.

<sup>6</sup> The fees and expenses requested in the October-December, 2002, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on July 28, 2003.

period July 1, 2002, through September 30, 2002. The Quarterly Application for the interim period from October 1, 2002, through December 31, 2002, was heard on June 17, 2003, and an order was entered on July 28, 2003, granting interim compensation and reimbursement of expenses requested in the seventh Quarterly Application. The Quarterly Application for the interim period from January 1, 2003, through March 31, 2003, has been scheduled for September 22, 2003.

The K&E attorneys who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the Applicant	Number of Years in that Position	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Janet S Baer	Partner	22 Years	Bankruptcy	\$625.00	35.90	\$22,437.50
James W Kapp	Partner	10 Years	Bankruptcy	\$510.00	60.70	\$30,957.00
Christian J Lane	Associate	6 Years	Bankruptcy	\$445.00	189.50	\$84,327.50
David M Bernick, P.C.	Partner	25 Years	Litigation	\$715.00	0.80	\$572.00
Mark E Grummer	Partner	28 Years	Environment/Transactions	\$445.00	3.20	\$1,424.00
Vicki V Hood	Partner	27 Years	Employee Benefits	\$615.00	0.20	\$123.00
Christopher Landau	Partner	14 Years	Litigation	\$510.00	14.30	\$7,293.00
Brett H McGurk	Associate	4 Years	Litigation	\$375.00	14.10	\$5,287.50
<b>Total for Attorneys</b>					<b>318.70</b>	<b>\$152,421.50</b>

The paraprofessionals of K&E who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the Applicant	Number of Years in that Position	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Rhonda Lopera	Legal Assistant	12 Years	Bankruptcy	\$210.00	81.50	\$17,115.00
Tiffany J Wood	Project Assistant	3 Months	Bankruptcy	\$105.00	83.50	\$8,767.50
Toni L Wallace	Legal Assistant	2 Years	Bankruptcy	\$190.00	7.30	\$1,387.00
Shirley A Pope	Legal Assistant	18 Years	Litigation	\$190.00	76.60	\$14,554.00
Sorah Kim	Project Assistant	2 Months	Litigation	\$110.00	28.80	\$3,168.00
Library Research	Research Specialist	N/A	Administrative Services	\$165.00	0.50	\$ 82.50
<b>Total for Paraprofessionals</b>					<b>278.20</b>	<b>\$45,074.00</b>

Grand Total for Fees: \$197,495.50

Blended Rate: \$330.86

**Compensation by Matter**

<b>Matter Number</b>	<b>Matter</b>	<b>Total Hours</b>	<b>Total Fees Requested</b>
17	Relief from Stay	75.70	\$35,650.00
19	Claims Analysis Objection & Resolution (Non-Asbestos)	131.00	\$40,536.50
20	Case Administration	186.90	\$36,597.50
23	Business Operations	9.20	\$4,572.00
27	Employee Benefits/Pension	24.90	\$11,192.50
28	Litigation and Litigation Consulting	80.60	\$39,826.50
30	Hearings	11.00	\$5,382.50
32	Fee Applications, Applicant	20.40	\$7,430.00
37	Plan and Disclosure Statement	6.10	\$3,159.00
42	Travel non-working	11.70	\$5,206.50
51	ZAI Science Trial	39.40	\$7,942.50
	<b>Total</b>	<b>596.90</b>	<b>\$197,495.50</b>

**Expense Summary**

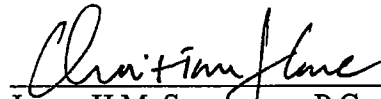
<b><u>Description</u></b>	<b><u>Amount</u></b>
Telephone	\$239.15
Fax Telephone Charge	\$5.62
Fax Charge	\$66.75
Standard Copies	\$1,733.70
Tabs/Indexes/Dividers	\$1.80
Scanned Images	\$69.90
Overnight Delivery	\$115.76
Travel Expense	\$752.15
Airfare	\$2,969.86
Transportation to/from airport	\$443.96
Travel Meals	\$25.86
Other Travel Expenses	\$7.00
Court Reporter Fee/Deposition	\$602.17
Working Meals/K&E and Others	\$54.00
Information Broker Doc/Svcs	\$142.00
Computer Database Research	\$1,862.86
Overtime Transportation	\$107.25
Word Processing Overtime	<u>\$35.54</u>
<b>Total</b>	<b>\$9,235.33</b>

**WHEREFORE**, K&E respectfully requests (a) that an allowance be made to it, as fully described above for the (i) 80% of the amount of \$197,495.50 for reasonable and necessary professional services K&E has rendered to the Debtors during the Fee Period (\$157,996.40) and (ii) 100% of the reimbursement of actual and necessary costs and expenses incurred by K&E during the Fee Period (\$9,235.33); (b) that both fees and expenses are payable as administrative expenses of the Debtors' estates; and (c) that this Court grant such further relief as is equitable and just.

Wilmington, Delaware  
Dated: August 28, 2003

Respectfully submitted,

KIRKLAND & ELLIS LLP

A handwritten signature in cursive script, appearing to read "Christian J. Lane", is written over a horizontal line.

James H.M. Sprayregen, P.C.  
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